

Sagicor Life Jamaica Limited

Our Q2 2013 Performance



DIRECTORS' STATEMENT

On behalf of the Board of Directors of Sagicor Life Jamaica Ltd (SLJ) we are pleased to announce the Q2 2013 financial performance of our Group of companies. The consolidated results include those of Sagicor Investments Jamaica Limited (formerly known as Pan Caribbean Financial Services Limited and referred to herein as the Banking Group or SIJL) of which SLJ owns 85.45%.

Highlights

	June 2013 YTD Unaudited	June 2012 YTD Unaudited	% Change
Total Revenue - J\$ billions	15.24	15.12	1%
Net Profit attributable to Stockholders - J\$ billions	2.18	2.60	-16%
Earnings per stock unit (EPS) - J\$	\$0.58	\$0.69	-16%
Group efficiency ratio (Admin. expenses/Revenue) - with realised NDX losses and legal claim excluded	22%	23%	4%
Return on average Stockholders' Equity (ROE)	13%	18%	-28%
Total Assets of the Sagicor Jamaica Group - J\$ billions	184.61	171.02	8%
Stockholders' Equity - J\$ billions	33.21	30.15	10%
SLJ Share Price	8.55	10.70	-20%
Dividend per stock unit - J\$	0.19	0.28	-32%

Overview

In Q2, 2013 the Sagicor Jamaica Group generated net profits of \$1.56 billion (2012: \$1.12 billion), attributable to stockholders, while only \$620 million was earned in Q1. The improved results in Q2 reflect continued good new business and a higher pay-out of insurance benefits. We also recorded a "one-time" charge of \$120 million for an adverse Privy Council judgment relating to a Cayman Islands legal claim. In Q1, we had the impact of the National Debt Exchange and Private Debt Exchange (NDX programme) which resulted in "one-time" realized capital losses of \$1.2 billion. We anticipated the negative effect of the NDX programme on our results but were also very aware of the long-term potential benefits to the national economy in which the Group operates. Following the NDX programme we now carry a large portion of GOJ securities with lower market values, lower coupon rates and extended tenors.

The consolidated net profit, attributable to stockholders, for the six month period was \$2.18 billion as against \$2.60 billion in 2012. This represents earnings per stock unit of \$0.58 (2012: \$0.69) and the annualized return on average Stockholders' Equity was 13% (2012:

18%). We delivered the 2013 results despite the effects of the NDX programme and increased effective tax rates. Total Comprehensive Income including, net profit for the period and movements in reserves held in Equity, was \$1.33 billion compared to \$3.0 billion for 2012. Unrealized fair value losses on available-for-sale securities exceeded unrealized foreign exchange gains. The unrealized fair value losses emerged from lower bond prices as interest rates rose, especially USA corporate bonds.

Operations:

The year-to-date net profit outcome of \$2.18 billion was produced from consolidated Revenue of \$15.24 billion. Revenue was above prior year by 1%. With the effect of the NDX programme excluded, Revenue would have been up about 9%. Net Premium Income, in aggregate, was 4% more than that for 2012. The Individual lines of business earned premiums were up by 9% while Group Insurance and Annuity premiums were level with prior year. There was good new business across all lines. Investment income, before interest expense and capital gains was higher than in the prior year by 1%, reflecting lower coupons from March on some GOJ bonds. Capital

gains, for other than NDX security trades, and fair value adjustments were much lower than in 2012. Fees and Other Revenues were substantially ahead of prior year, mainly influenced by higher current year unrealized foreign exchange gains from devaluation of the J\$.

A total of \$6.07 billion, net of reinsurance recoveries, was paid in benefits to our policyholders or their beneficiaries. The amount for last year was \$5.10 billion. This 19% increase in benefits costs reflects portfolio growth but also higher death claims experience, higher health claims ratios and higher individual life policy surrenders during the period. Health insurance claims account for almost 50% of the benefits paid.

Group Administrative expenses of \$3.73 billion were 10% more than in 2012. The increased expenses reflect mainly higher compensation costs, a \$120 million legal claim paid in June 2013 and higher loan loss provisions in the Banking Group. The Group efficiency ratio of administrative expenses to total revenue, with NDX capital losses and the legal claim excluded, was 22%, 4% better than 2012.

Cash used in operating activities during the period was \$3.89 billion reflecting large purchases of securities. Cash and cash equivalents at end of June 2013 showed net short-term liabilities of \$916.2 million. While consolidated cash and short-term deposits remained at about \$5 billion, there were higher short-term liabilities in the Banking Group.

The Banking Group generated net profits of \$337.52 million after absorbing \$467.67 million in "one-time" capital losses and reduced interest income following the NDX programme. For the corresponding six months period last year, the Banking Group generated net profits of \$780.94 million.

Income earning assets in the Banking Group grew by 0.5% for the period but net interest margins were lower in 2013 (3.96% to 3.63%), largely due to the NDX programme. Realized gains on security trades, other than NDX related, were lower than last year as there are reduced trading opportunities in 2013. Operating expenses to total revenue (excluding the NDX capital losses) were 53% compared to 46% for the first six months of 2012. The 2013 year-to-date expenses carry

higher loan loss provisions and occupancy expenses. The current period results also include asset taxes of about \$60 million when there were only \$10 million at the end of June 2012.

The Banking Group is working through a number of growth initiatives, including expansion of the commercial bank branch and ABM network, widening of its product offerings and leveraging opportunities with the wider Sagicor Group.

Balance Sheet and Managed Funds:

Total assets of the SLJ Group grew to \$184.61 billion, up from \$175.01 billion as at December 2012, a 5.5% increase over the six month period. Total assets under management, as at June 2013, including pension fund assets managed on behalf of clients and unit trusts, amounted to \$309.06 billion, up from \$295.42 billion as at December 2012. Market capitalization of SLJ at June 2013 was \$32.16 billion.

SLJ Stockholders' Equity as at June 2013 was \$33.21 billion, compared to \$32.64 billion as at December 2012. Significant unrealized fair value losses were also recorded in June to Investments Reserves in Comprehensive Income, as bond prices fell with rising interest rates, especially USA corporate bonds. During March, the SLJ Board of Directors declared an interim dividend distribution of \$714.59 million to Stockholders or a dividend per share of 19 cents.

SLJ's risk adjusted capital, measured by the Minimum Continuing Capital and Solvency Requirement (MCCSR), was 171.2% as at June 2013. The regulated minimum ratio is 150%.

The risk-weighted capital ratios of the Sagicor Investments (Securities Dealer) and Sagicor Bank (Commercial Bank) were 15.9% and 19.6% respectively. The required minimum regulatory ratio is 10%.

Corporate Social Activities:

Our primary focus during the second quarter was education. We partnered with the Jamaica Teachers Association to stage the National Primary, All-Age and Junior High School Athletic Championships, by donating \$5 million to the two-day track and field event held at the National Stadium benefitting over 4,000 young athletes from all across the island.

DIRECTORS' STATEMENT (Continued)



Sagikor Life Jamaica volunteers and members of the Jebb Memorial Basic School are in high spirits as they gather for a photo after successfully completing a Labour Day project organised by Sagikor. The Sagikor Group enlisted the support of team members across the island with tools and material to provide a facelift to 12 educational facilities as part of the organisation's corporate social responsibility.

On Labour Day, our team members joined Jamaica in **"Lend a Hand, Build our Land"** and with tools and materials provided facelifts to adopted schools across the island.

National Child Month was recognized in May by treating some of our local

children's homes and adopted schools to the GEM Movement's Pantomime on Labour Day. GEM, an acronym for Greatness Exists in Me, is Jamaica's first and only children's pantomime.

Other areas of contribution to the wider community included donations to The

Pocket Rocket Foundation supporting local athletics at the high school level, the Jamaica Paralympic Association and the Jamaica Cancer Society through the Relay for Life event.

Another 'Jewel' in the Crown

The Sagikor Sigma Real Estate Fund extended the successful Jewel brand to a third property in Runaway Bay, St. Ann. The Jewel Paradise Cove Beach Resort & Spa was acquired in May and is scheduled to open in Fall of this year. It includes a 225 room, all-inclusive adults only beach resort with an emphasis on health, sports and wellness.

Corporate Reorganization

On 2 August, we announced that the Boards of Directors of Sagikor Life Jamaica Limited (SLJ) and its subsidiaries Sagikor Investments Jamaica Limited (SIJL) and Sagikor Bank Jamaica Limited (SBJ) agreed to undertake a reorganization of the Sagikor Jamaica Group of companies under Court approved Schemes of Arrangement to

be approved by the members of the respective companies.

The reorganization will involve the establishment of a new holding company which will be listed on the main market of the Jamaica Stock Exchange and which will become the direct holding company of Sagikor Life Jamaica Limited, Sagikor Investments Jamaica Limited and Sagikor Bank Jamaica Limited.

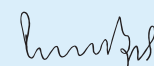
The reorganization is subject to approval by the Financial Services Commission and the Bank of Jamaica.

On behalf of The Board of Directors:



DR. THE HON. R.D. WILLIAMS

Chairman



RICHARD O. BYLES

President & CEO

7 August 2013

Consolidated Statement of Financial Position

as at 30 June 2013

(Expressed in thousands of Jamaican dollars)

	June 2013 Unaudited	June 2012 Unaudited	December 2012 Audited
ASSETS:			
Cash resources	5,040,884	5,273,556	5,480,731
Financial investments	135,635,396	119,427,189	123,805,795
Securities purchased under resale agreements	748,915	684,136	1,793,910
Derivative financial instruments	3,822,527	5,312,645	4,253,104
Loans & leases, after allowance for credit losses	9,616,424	8,923,058	9,391,290
Investment properties	699,202	689,684	627,731
Property, plant and equipment	1,555,419	1,633,400	1,687,846
Pledged assets	1,809,610	5,384,926	3,943,434
Intangible assets	4,083,860	4,226,759	4,165,089
Other assets	8,059,828	7,693,172	7,768,521
Segregated funds' assets	13,537,029	11,774,888	12,096,859
Total Assets	184,609,094	171,023,413	175,014,310
STOCKHOLDERS' EQUITY AND LIABILITIES:			
Equity attributable to stockholders of the company			
Share capital	7,854,938	7,854,939	7,854,938
Other components of equity	4,731,796	4,774,189	5,533,916
Retained earnings	20,618,722	17,524,337	19,189,212
	33,205,456	30,153,465	32,578,066
Non-controlling interests	1,717,606	1,809,622	1,750,997
Total Equity	34,923,062	31,963,087	34,329,063
Liabilities			
Securities sold under repurchase agreements	53,237,074	55,838,652	55,694,733
Due to banks and other financial institutions	16,186,589	10,195,501	10,682,043
Customer deposits	12,611,148	11,655,664	11,090,266
Derivative financial instruments and structured products	4,588,933	6,132,323	5,164,666
Other liabilities	5,623,782	5,088,588	5,085,989
Policyholders' Funds			
Segregated funds' liabilities	13,537,029	11,774,888	12,096,859
Insurance contracts liabilities	29,573,922	25,548,578	27,659,725
Investment contracts liabilities	11,614,356	10,382,414	10,796,857
Other policy liabilities	2,713,199	2,443,718	2,414,109
	57,438,506	50,149,598	52,967,550
Total Liabilities	149,686,032	139,060,326	140,685,247
Total stockholders' equity and liabilities	184,609,094	171,023,413	175,014,310


DR. THE HON. R.D. WILLIAMS
Chairman
7 August 2013


RICHARD O. BYLES
President & CEO

Consolidated Income Statement

for the six-months ended 30 June 2013

(Expressed in thousands of Jamaican dollars)

	June 2013 Quarter Unaudited	June 2012 Quarter Unaudited	June 2013 Year-to-date Unaudited	June 2012 Year-to-date Unaudited	December 2012 Full Year Audited
Revenues:					
Net premium revenue	4,983,492	4,880,980	9,888,339	9,494,737	19,530,204
Net investment income	2,131,046	2,318,969	3,187,118	4,523,201	8,665,470
Fees and other revenues	1,081,081	422,805	2,160,369	1,102,413	3,279,585
Total revenue	8,195,619	7,622,754	15,235,826	15,120,351	31,475,259
Benefits and expenses:					
Net insurance benefits incurred	3,183,623	2,639,474	6,068,297	5,102,368	10,360,321
Changes in insurance and annuity liabilities	266,499	1,044,731	877,439	1,709,029	3,403,028
Administration expenses	1,942,137	1,722,887	3,728,697	3,388,762	6,854,396
Commissions and related expenses	901,081	717,744	1,746,979	1,486,741	3,186,483
Amortization of intangible assets	73,800	63,911	145,276	130,013	269,131
Premium and other taxes	147,400	113,646	298,586	206,067	551,052
Total benefits and expenses	6,514,540	6,302,393	12,865,274	12,022,980	24,624,411
Profit before taxation	1,681,079	1,320,361	2,370,552	3,097,371	6,850,848
Investment and corporation taxes	(74,241)	(160,041)	(146,159)	(387,432)	(863,230)
Net Profit	1,606,838	1,160,320	2,224,393	2,709,939	5,987,618
Attributable to:					
Stockholders of the parent company	1,562,341	1,116,110	2,182,487	2,603,515	5,790,660
Non-controlling Interests	39,315	44,210	41,906	106,424	196,958
	1,601,656	1,160,320	2,224,393	2,709,939	5,987,618
Earnings per stock unit attributable to stockholders of the parent company:					
Basic and Fully diluted	\$0.42	\$0.30	\$0.58	\$0.69	\$1.54



Consolidated Statement of Comprehensive Income

for the six-months ended 30 June 2013
(Expressed in thousands of Jamaican dollars)

	June 2013 Year-to-date Unaudited	June 2012 Year-to-date Unaudited	December 2012 Full Year Audited
Net profit for the period:	2,224,393	2,709,939	5,987,618
Other comprehensive income:			
Available-for-sale investments:			
Unrealised gains/(losses) on available-for-sale investments	(823,929)	643,382	890,196
Gains recycled and reported in profit	(923,860)	(527,407)	(768,714)
	(1,747,789)	115,975	121,482
Owner occupied properties:			
Unrealised gains/(losses) on owner occupied properties	3,760	6,919	(56,368)
Cash flow hedge:			
Gains reclassified and reported in profit	-	-	(38,220)
Retranslation of foreign operations	853,310	171,523	551,579
Retirement Benefits actuarial gains/(losses)	-	-	(100,536)
Total other income recognised directly in stockholders' equity, net of taxes	(890,719)	294,417	477,937
Total comprehensive income	1,333,674	3,004,356	6,465,555
Total comprehensive income attributable to:			
Stockholders of the parent company	1,329,232	2,906,862	6,367,621
Non-controlling interest	4,442	97,494	97,934
	1,333,674	3,004,356	6,465,555

Consolidated Statement of Changes in Equity

for the six-months ended 30 June 2013
(Expressed in thousands of Jamaican dollars)

	Share Capital	Retained Earnings	Stock Options Reserve	Currency Translation Reserves	Investment & Fair Value Reserves	Other Reserves	Total Stockholders' Equity	Non-Controlling Interests	Total Equity
Period ended 30 June 2013:									
Balance as at 1 January 2013	7,854,938	19,255,396	88,228	1,697,363	883,935	2,864,388	32,644,248	1,756,649	34,400,897
Prior year adjustment - Retirement Benefit actuarial gains/(losses)	-	(66,184)	-	-	-	-	(66,184)	(5,650)	(71,834)
Restated opening balance at 1 January 2013	7,854,938	19,189,212	88,228	1,697,363	883,935	2,864,388	32,578,064	1,750,999	34,329,063
Total comprehensive income for the period	-	2,182,487	-	853,310	(1,706,565)	-	1,329,232	4,442	1,333,674
Employee share option scheme - value of services provided	-	-	-	-	-	12,746	12,746	728	13,474
Dividends declared to owners	-	(714,588)	-	-	-	-	(714,588)	-	(714,588)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(38,561)	(38,561)
Adjustment between regulatory loan provision and IFRS	-	(12,092)	-	-	-	12,092	-	-	-
Transfer to special investment reserve	-	(26,297)	-	-	-	26,297	-	-	-
Share capital issued	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings reserve	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2013	7,854,938	20,618,722	88,228	2,550,673	(822,630)	2,915,523	33,205,454	1,717,608	34,923,062
Period ended 30 June 2012:									
Balance as at 1 January 2012	7,854,938	15,975,564	-	1,145,784	788,175	2,525,505	28,289,966	1,763,242	30,053,208
Prior year adjustment - Retirement Benefit actuarial gains/(losses)	-	34,302	-	-	-	-	34,302	(5,600)	28,702
Restated opening balance at 1 January 2012	7,854,938	16,009,866	-	1,145,784	788,175	2,525,505	28,324,268	1,757,642	30,081,910
Total comprehensive income for the period	-	2,603,515	-	171,522	131,824	-	2,906,861	97,493	3,004,354
Employee share option scheme - value of services provided	-	-	-	-	-	9,715	9,715	1,164	10,879
Dividends declared to owners	-	(1,053,078)	-	-	-	-	(1,053,078)	-	(1,053,078)
Dividends paid to Non-controlling interest	-	-	-	-	-	-	-	(59,691)	(59,691)
Adjustment between regulatory loan provision and IFRS	-	(2,886)	-	-	-	2,886	-	-	-
Transfer from special investment reserve	-	1,222	-	-	-	(1,222)	-	-	-
Share capital issued	-	-	-	-	-	-	-	7,413	7,413
Balance as at 30 June 2012	7,854,938	17,558,639	-	1,317,306	919,999	2,536,884	30,187,766	1,804,021	31,991,787
Period ended 31 December 2012:									
Balance as at 1 January 2012	7,854,938	15,975,564	95,895	1,145,784	788,175	2,429,610	28,289,966	1,763,242	30,053,208
Prior year adjustment - Retirement Benefit actuarial gains/(losses)	-	34,302	-	-	-	-	34,302	(5,600)	28,702
Restated balance as at 1 January 2012	7,854,938	16,009,866	95,895	1,145,784	788,175	2,429,610	28,324,268	1,757,642	30,081,910
Total comprehensive income for the period	-	5,690,174	-	551,579	125,868	-	6,367,621	97,934	6,465,555
Employee share option scheme - value of services provided	-	-	29,719	-	-	-	29,719	916	30,635
Employee stock grants and options exercised/expired	-	-	(37,386)	-	-	-	(37,386)	-	(37,386)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(105,495)	(105,495)
Dividends paid to owners	-	(2,106,156)	-	-	-	-	(2,106,156)	-	(2,106,156)
Total Transactions with owners	-	(2,106,156)	(7,667)	-	-	-	(2,113,823)	(104,579)	(2,218,402)
Transfer between reserves -									
From retained earnings reserve	-	(427,250)	-	-	-	427,250	-	-	-
To special investment reserve	-	(5,603)	-	-	-	5,603	-	-	-
To retained earnings	-	30,108	-	-	(30,108)	-	-	-	-
Adjustment between regulatory loan provision and IFRS	-	(1,927)	-	-	-	1,927	-	-	-
Total transfer between reserves	-	(404,672)	-	-	(30,108)	434,780	-	-	-
Balance as at 31 December 2012	7,854,938	19,189,212	88,228	1,697,363	883,935	2,864,390	32,578,066	1,750,997	34,329,063



Consolidated Segmental Financial Information

for the six-months ended 30 June 2013
(Expressed in thousands of Jamaican dollars)

	Individual Insurance	Employee Benefits	Banking and Asset Management	All other	Eliminations	Unaudited June 2013 Group
Operating results:						
External revenues	5,129,125	7,578,538	1,561,974	966,189	-	15,235,826
Inter-segment revenues	60,953	2,452	(56,775)	84,731	(91,361)	-
Total revenue	5,190,078	7,580,990	1,505,199	2,026,828	(91,361)	15,235,826
Benefits and expenses	(3,929,953)	(5,791,622)	(969,534)	(797,113)	68,794	(11,419,428)
Change in actuarial liabilities	(323,589)	(553,850)	-	-	-	(877,439)
Depreciation	(42,122)	(17,676)	(43,911)	(20,836)	-	(124,545)
Amortization of intangibles	(7,169)	(58,880)	(72,753)	(6,474)	-	(145,276)
Finance costs	-	-	-	(12,900)	12,900	-
Premium and other taxes	(176,285)	(30,541)	(58,898)	(32,862)	-	(298,586)
Profit before tax	710,960	1,128,421	360,103	1,156,643	(9,667)	2,370,552
Investment and corporation taxes	(8,262)	(98,456)	(54,584)	15,143	-	(146,159)
Profit after taxation	702,698	1,029,965	305,519	1,171,786	(9,667)	2,224,393
Segment assets:	49,289,366	38,365,723	88,089,506	15,055,540	(6,452,664)	184,347,471
Unallocated assets						
Investment in associates						22,625
Deferred tax assets						238,998
Retirement benefit asset						
Total assets						184,609,094
Segment liabilities:	33,830,891	30,593,168	75,594,441	14,831,301	(6,485,698)	148,364,103
Unallocated liabilities						
Deferred tax liabilities						223,326
Retirement benefit obligation						1,098,603
Total liabilities						149,686,032
Other Segment items:						
Capital expenditure						111,989

Geographical information:

	Jamaica	Cayman Islands	Other	Total Group
Revenue	13,734,920	1,494,745	6,161	15,235,826
Total assets	153,204,448	30,795,411	609,235	184,609,094

	Individual Insurance	Employee Benefits	Banking and Asset Management	All other	Eliminations	Unaudited June 2012 Group
Operating results:						
External revenues	5,142,759	7,182,508	2,047,287	747,797	-	15,120,351
Inter-segment revenues	54,581	3,994	(15,745)	52,408	(95,238)	-
Total revenue	5,197,340	7,186,502	2,031,542	800,205	(95,238)	15,120,351
Benefits and expenses	(3,323,294)	(5,002,725)	(907,938)	(704,396)	58,735	(9,879,618)
Change in actuarial liabilities	(771,226)	(937,803)	-	-	-	(1,709,029)
Depreciation	(39,922)	(18,483)	(23,438)	(16,410)	-	(98,253)
Amortization of intangibles	(6,267)	(60,167)	(60,688)	(2,891)	-	(130,013)
Finance costs	-	-	-	(12,226)	12,226	-
Premium and other taxes	(156,755)	(29,312)	(10,000)	-	-	(196,067)
Profit before tax	899,876	1,138,012	1,029,478	64,282	(24,277)	3,107,371
Investment and corporation taxes	(68,411)	(83,323)	(298,039)	52,341	-	(397,432)
Profit after taxation	831,465	1,054,689	731,439	116,623	(24,277)	2,709,939
Segment assets:	40,940,303	34,064,729	89,076,703	9,394,805	(2,848,991)	170,627,549
Unallocated assets						
Investment in associates						2,725
Deferred tax assets						180,184
Retirement benefit asset						212,955
Total assets						171,023,413
Segment liabilities:	28,621,276	26,963,839	75,573,556	9,194,216	(2,880,260)	137,472,627
Unallocated liabilities						
Deferred tax liabilities						736,626
Retirement benefit obligation						851,073
Total liabilities						139,060,326
Other Segment items:						
Capital expenditure						188,934

Geographical information:

	Jamaica	Cayman Islands	Other	Total Group
Revenue	13,831,151	1,289,200	-	15,120,351
Total assets	150,646,933	20,376,480	-	171,023,413

Consolidated Statement of Cash Flows

for the six-months ended 30 June 2013
(Expressed in thousands of Jamaican dollars)

	June 2013 Year-to-date Unaudited	June 2012 Year-to-date Unaudited	December 2012 Full Year Audited
Cash Flows from operating activities:			
Net Profit	2,224,393	2,709,939	5,987,618
Items not affecting cash & changes to Policyholders Funds	(1,909,926)	(1,708,264)	(3,178,570)
Changes in other operating assets and liabilities	661,001	(1,639,246)	(6,077,720)
Net Investment Purchases	(9,376,931)	(227,785)	(537,353)
Interest received	6,548,537	5,687,131	11,544,328
Interest paid	(2,037,205)	(2,178,290)	(4,106,351)
Income taxes paid	(3,438)	(656,636)	(952,829)
Cash generated from/(used in) operating activities	(3,893,569)	1,986,849	2,679,123
Cash Flows from investing activities:			
Intangible Assets, net	(19,517)	(33,209)	(88,933)
Property, plant and equipment, net	(85,644)	(188,067)	(423,480)
Cash used in investing activities	(105,161)	(221,276)	(512,413)
Cash Flows from financing activities:			
Dividends paid to stockholders	(714,588)	(1,053,078)	(2,106,156)
Dividends paid to Minority Interest	(38,571)	(59,705)	(105,495)
Ordinary shares issued - to Minority Interest	-	7,413	-
Cash used in financing activities	(753,159)	(1,105,370)	(2,211,651)
Increase/(Decrease) in net cash and cash equivalents	(4,751,889)	660,203	(44,941)
Cash and cash equivalents:			
Cash and cash equivalents, at beginning of year	3,552,189	3,343,863	3,343,863
Effects of exchange rate changes	283,076	84,795	253,267
Increase/(Decrease) in net cash and cash equivalents	(4,751,887)	660,203	(44,941)
Net cash and cash equivalents, at end of period	(916,622)	4,088,861	3,552,189
Comprising:			
Balances with Banks	3,968,068	4,548,284	4,745,238
Short - Term Deposits	1,097,419	786,110	652,701
Short - Term Investment Securities	150,654	790,833	-
Securities purchased under resale agreements	331,923	247,842	1,253,375
Short - Term Loans	(6,279,253)	(2,193,612)	(2,958,906)
Bank overdraft	(185,433)	(90,596)	(140,219)
	(916,622)	4,088,861	3,552,189

Explanatory Notes

1. Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with the accounting policies as set out in note 2 of the December 31, 2012 audited financial statements. Certain comparative numbers have been restated due to the adoption of IAS 19 (amendment), Employee Benefits.

2. IAS 19 (amendment), Employee Benefits

The Group adopted IAS 19 (amendment), Employee Benefits, effective 1 January 2013. This resulted in the restatement of Retained earnings as at 1 January 2012 to record an actuarial gain of \$34.30 million and Retained earnings as at 1 January 2013 to record an actuarial loss of \$66.18 million. The amendment eliminates the corridor approach and

- Recognizes all actuarial gains and losses in Other Comprehensive Income as they occur
- Immediately recognizes all past service costs
- Replaces interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability or asset.

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Comments and Suggestions

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